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BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

16 September 2, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

September 02, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**RECOMMENDATION TO EXTEND GENERAL RELIEF ELIGIBILITY TO MINOR CHILDREN
INELIGIBLE TO RECEIVE CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS
CASH BENEFITS BASED ON THE MAXIMUM FAMILY GRANT RULE AND LIVING IN A FAMILY
RECEIVING A ZERO DOLLAR CALWORKS GRANT FOR REASONS OTHER THAN FAILURE TO
COMPLY WITH PROGRAM REQUIREMENTS
(ALL DISTRICTS-3 VOTES)**

SUBJECT

The Department of Public Social Services (DPSS) requests approval to extend General Relief (GR) eligibility to children ineligible to receive California Work Opportunity and Responsibility to Kids (CalWORKs) cash benefits as a result of the Maximum Family Grant (MFG) rule and whose family receives a zero dollar CalWORKs monthly cash grant, for reasons other than failure to comply with program requirements. General Relief aid will continue until the MFG child becomes eligible to receive CalWORKs.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of DPSS, or her designee, to implement changes to GR policy that extend GR eligibility to minor children ineligible to receive CalWORKs cash assistance based on the MFG rule and living in a family receiving a zero dollar monthly CalWORKs cash grant, for reasons other than failure to comply with program requirements, until the MFG child/children become eligible to receive CalWORKs cash benefits.
2. Delegate authority to the Director of DPSS, or her designee, to implement this policy change retroactively to January 1, 2014.
3. Approve for introduction an ordinance amending County Code Section 2.102.170 to reflect the

extension of GR eligibility to MFG children whose Assistance Unit (AU) receives a zero dollar monthly CalWORKs cash grant, for reasons other than failure to comply with program requirements, until the MFG child/children become eligible to receive CalWORKs cash benefits. The term "Assistance Unit" denotes a family, which receives aid under the CalWORKs program.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Extending GR eligibility to minor children who are ineligible to receive CalWORKs assistance due to the MFG rule and whose AU receives a zero dollar CalWORKs monthly cash grant, for reasons other than failure to comply with program requirements, will ensure that GR remains a safety net to needy households that receive no financial support or relief. Doing so would be consistent with the purpose of the GR program, as interpreted by the courts, and will reduce the risk of potential litigation.

The recommended actions to extend eligibility to GR cash assistance to minor children ineligible to receive CalWORKs assistance based on the MFG rule and whose AU receives a zero dollar CalWORKs monthly cash grant, for reasons other than failure to comply with program requirements, is due in part to a January 28, 2014 demand letter received from the advocate community.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the principles of Countywide Strategic Plan Goal #1, Operational Effectiveness and Strategic Plan Goal, and #3, Integrated Services Delivery.

FISCAL IMPACT/FINANCING

There are two populations to consider in determining the fiscal impact of the recommendation to extend eligibility to GR cash assistance to MFG children in an AU receiving a zero dollar CalWORKs monthly cash grant, for reasons other than failure to comply with program requirements.

The size of the first population is known to the Department. As of December 2013, there were 2,526 CalWORKs MFG children in an open CalWORKs case with an in-home parent and zero dollar CalWORKs cash grant, for reasons other than failure to comply with program requirements. The expected potential maximum GR benefit impact is up to \$560,000 each month (\$6.7 M annually) if a GR application were submitted and approved for every such MFG child and each MFG child received the maximum GR allotment of \$221 per month.

The size of the second population is not known to the Department. It consists of MFG children who are in households that are no longer on CalWORKs, are less than 24 months off aid (or the combination of time on a CalWORKs zero dollar cash grant plus time after CalWORKs was terminated), and might be eligible for GR if Recommendation I is adopted. We do not have sufficient data to estimate this number. However, the applicants from this population could potentially be larger than 2,526.

If this policy change is adopted, it is unknown what percentage of eligible MFG children would apply for GR. However, for those choosing to apply, a GR application would have to be filed for these MFG children, as they would not automatically transition to GR.

As such, the actual cost impact will depend on the number of such children who apply for GR cash benefits. For each 10 percent of the first population which applies for and receives GR, the monthly cost would be approximately \$56,000. Funding to cover the potential additional cost is not included

in the Department's Fiscal Year 2014-15 Adopted Budget. If this proposal is approved, the Department would have to request additional funding.

GR cash assistance is 100 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

CalWORKs provides cash aid and services to families with related children, under 18, whose parents cannot support them for any of several reasons.

Welfare and Institutions Code Section 11450.04 contains the MFG rule, which states that when a child is born into a CalWORKs AU that has received aid for at least 10 months prior to the birth, the child cannot be aided with cash benefits. The MFG rule was intended to promote personal responsibility of CalWORKs recipients by discouraging growth in family size while the AU is receiving public assistance to meet its needs. Per CalWORKs rules, the MFG child is eligible to receive cash assistance when the family has not received a CalWORKs cash grant for at least 24 consecutive months.

In some situations, the MFG rule can result in an AU receiving no cash assistance under the CalWORKs program. To illustrate, imagine an AU consisting of a mother receiving Supplemental Security Income (SSI) and two children whose CalWORKs aid is based on the presence of the older child in the family and the younger child falls within the MFG rule. If that older child ages out of the family, the AU could lose all CalWORKs cash assistance, since the mother is ineligible to receive CalWORKs benefits for herself due to her receipt of SSI benefits.

Welfare and Institutions Code Section 17000 requires counties to relieve and support all incompetent, poor, indigent persons, and those incapacitated by age, disease, or accident, lawfully residing within county, when such persons are not financially supported and relieved by their relatives or friends, by their own means, or by State hospitals or other State or private institutions. The County's GR program is Los Angeles County's program of relief and support for such persons.

When a child falls within the MFG rule and the child's AU does not receive CalWORKs cash aid, for reasons other than failure to comply with program requirements, it appears consistent with the purposes of the GR program that the MFG child be eligible for GR benefits. Additionally, when the County of Alameda denied such benefits to a MFG child whose AU did not receive CalWORKs cash aid, it was legally challenged and the appellate court concluded that the child had been improperly denied eligibility for general assistance benefits (*McCormick v. County of Alameda et al.*, (2011) 193 Cal.App.4th 201)

Los Angeles County Code section 2.102.170 describes eligibility for GR benefits, and if the Board adopts this recommendation, that section of the County Code would need to be amended to reflect that GR benefits may be provided in the scenario described in this Board Letter.

The CEO and County Counsel have reviewed the Board Letter, and Counsel has approved as to form.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

By extending GR to the MFG child as described in this Board Letter, the eligible GR population would be expanded to include the referenced MFG child. There would be no impact on any other existing programs and/or services.

CONCLUSION

The Executive Officer, Board of Supervisor is requested to return one adopted, stamped Board Letter to the Director of DPSS.

Respectfully submitted,

A handwritten signature in black ink, reading "Sheryl L. Spiller". The signature is written in a cursive, flowing style.

SHERYL L. SPILLER

Director

SLS:AA

Enclosures

c: Chief Executive Officer
Executive Officer, Board of Supervisors
Acting County Counsel
Deputy Chief Executive Officer